

## Message Text

LIMITED OFFICIAL USE

PAGE 01 ACCRA 04911 071532Z

65

ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 PA-01 PRS-01 FEAE-00 ERDA-05 L-03 OES-06

/104 W

----- 040597

P R 061610Z JUL 76

FM AMEMBASSY ACCRA

TO SECSTATE WASHDC PRIORITY 3292

INFO AMEMBASSY ABIDJAN

AMEMBASSY KINSHASA

AMEMBASSY LAGOS

AMEMBASSY LOME

AMEMBASSY LONDON

AMEMBASSY NAIROBI

AMEMBASSY PARIS

LIMITED OFFICIAL USE ACCRA 4911

EO 11652 NA

TAGS: EALR, EINV, GH

SUB: INVESTMENT POLICY IMPLEMENTATION POSTPONED AGAIN: STATUS  
REPORT

REF: A) STATE 126994 (NOTAL), B) STATE 120262 (NOTAL),  
(C) ACCRA 2647 (NOTAL), D) ACCRA A-07 ((NOTAL, E) ACCRA  
MEMCON, 4/27-5/5/76 "MOBIL AND THE INVESTMENT POLICY  
DECREE," SENT AF/W MCGUIRE AND USDOC/BIC/OIM-MILLER,  
F) STATE 163662,

1. SUMMARY: GOG HAS POSTPONED FURTHER SIX MONTHS, TO 12/31/76,  
EFFECTIVE DATE OF 1975 INVESTMENT POLICY DECREE. MOST  
COMPANIES ACCEPTING GOG VALUATION OF SHARES THEY MUST SELL GHANA-  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ACCRA 04911 071532Z

IAN'S UNDER TERMS OF DECREE, BUT SOME-- LIKE MOBIL AND PFIZER--

MAY BE DIGGING IN THEIR HEELS. POSTPONEMENT PUTS  
OFF IMMEDIACY OF NEED TO REMIT IN FOREIGN EXCHANGE PROCEEDS  
OF FORCED SALES OF SHARES. END SUMMARY.

2. PRESS REPORTS THAT CHIEF OF STATE SIGNED DECREE  
JUN 30 EXTENDING FINAL IMPLEMENTATION DATE OF 1975  
INVESTMENT POLICY DECREE TO DEC 31. DECREE, ISSUED  
LATE APRIL 1975, INITIALLY CALLED FOR IMPLEMENTATION  
BY DEC 31, 1975; THIS WAS EXTENDED SIX MONTHS AT END OF  
DECEMBER, AND NOW IS EXTENDED FURTHER SIX MONTHS ON WHAT WAS TO BE  
EFFECTIVE DATE. THE GOG'S INVESTMENT POLICY IMPLEMENTATION  
COMMITTEE, CHAIRED BY COL. E.O. NYANTE, TOOK UNUSUAL STEP  
OF ANNOUNCING TO PRESS JUNE 24 ITS RECOMMENDATION TO GOG THAT  
THIS BE DONE, BUT INDICATED COMMITTEE DID NOT KNOW WHAT ACTION  
GOG WOULD TAKE. TRADES UNION CONGRESS (TUC) THEN JUMPED INTO  
FRAY BY ANNOUNCING IN PRESS ITS OPPOSITION TO EXTENSION.

3. MOST COMPANIES AFFECTED HAVE GONE ALONG, EVEN IF RELUCTANTLY,  
WITH NYANTE COMMITTEE VALUATIONS OF SHARES WHICH MUST BE SOLD TO  
GHANAIS, EVEN THOUGH IN MANY IF NOT ALL CASES THESE BASED ON  
WRITTEN-DOWN BOOK VALUE. COMMITTEE HAS BEEN LESS THAN  
CONSISTENT IN ITS RULINGS, HOWEVER, CHANGING RULES OF  
GAME AS IT WENT ALONG (E.G., LIMITING GHANAIS INDI-  
VIDUALS TO MAXIMUM FIVE PCT. HOLDING IN SINGLE  
COMPANY, CHANGING THAT A DAY OR TWO LATER TO MAXIMUM OF CEDIS  
25,000 HOLDING). IN SEVERAL CASES COMMITTEE HAS REJECTED  
VALUATIONS AGREED BETWEEN FOREIGN COMPANIES AND  
POTENTIAL GHANAIS BUYERS, HOLDING THEY ARE TOO HIGH.

4. MOBIL CONTINUES TO RESIST THE EXERCISE ON THE BASIS  
BOTH THAT IS SHARES GROSSLY UNDERVALUED BY COMMITTEE AND  
THAT IT UNLIKELY BE ABLE TO REMIT PROCEEDS OF SHARE  
SALES. MOBIL HAS AVILED ITSELF OF APPEAL PROCEDURE TO  
COMMISSIONER FOR FINANCE" (WHO IS HEAD OF STATE  
ACHEAMPONG, AND WHOSE STAND-IN IS SPICAL ASSISTANT FORDWOR  
UNTIL HE LEAVES FOR AFRICAN DEVELOPMENT BANK PRESIDENCY NEXT  
MONTH), AND IS AWAITING RESPONSE. INDICATION TO EMBOFF  
FROM FORDWOR IS THAT APPEAL STANDS LITTLE CHANCE.

5. TEXACO HAS PROCEEDED TO SELL SHARES AND IS RELATIVELY  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ACCRA 04911 071532Z

SATISFIED WITH VALUATION; HOWEVER, IT RESERVING ITS POSITION  
IF, AS EXPECTED, PROMPT AND FULL REMITTABILITY UNAVAILABLE.

6. STERLING PRODUCTS UNHAPPY ABOUT ITS LISTINGS AS  
FALLING IN 50 PCT. (AS OPPOSED TO 40 PCT) GHANAIS  
OWNERSHIP CATEGORY, BECAUSE BASIS IS 1971 TUROVER WHEN  
COMPANY JUST GETTING STARTED IN GHANA. HOWEVER,  
PROBABLY WILL NOT RPT NOT APPEAL. WILL TRY "TO LIVE AWHILE"

WITH 50-50 STATUS. STERLING ALSO UNHAPPY AT COMMITTEE VALUATION.

7. PFIZER HAS TWO COMPANIES: PFIZER LTD. (PHARMACEUTICALS) AND AGRICARE LTD. (FEEDS). PFIZER LTD HAS SAME 50 PCT PROBLEM AS STERLING, BUT IT SAYS IT TOTALLY UNWILLING TO LOSE CONTROL OVER IT PROCESSES, TRADEMARKS, ETC. IT IS APPEALING THIS ASPECT OF COMMITTEE'S DECISION, AND IS CONSIDERING LIQUIDATING PFIZER LTD. IF PFIZER (U.S.) CANNOT RETAIN AT LEAST 51 PCT OWNERSHIP. AT EMBASSY'S SUGGESTION IN MAY 28 MEETING PFIZER OBTAINING LOCAL COUNSEL TO OPERATE ON FACTS OF LEGISLATION AND RULINGS RATHER THAN ON ASSUMPTIONS. AGRICARE WILL BE RETAINED AS A CORPORATE SHELL ONLY, WITH ALL OF ASSETS BEING SOLD TO GHANAIA COMPANY, OF WHICH CORE IS AGRICARE EMPLOYEES.

8. AS EARLIER REPORTED, SINGER SEWING MACHINE WINDING UP ITS OPERATIONS IN OWN NAME AND SELLING ASSETS TO NEW COMPANY, OF WHICH CORE IS PRESENT SENIOR EMPLOYEES OF SINGER, AS AGENT.

9. IT INCREASINGLY CLEAR NYANTE COMMITTEE UNABLE TO COMPLETE ITS WORK BY JUNE 30. IT GOT LATE START AND WORKED PLODDINGLY; IT ALSO EVIDENTLY HAD NO REAL IDEA OF EXTENT OF WORK IT HAD CUT OUT FOR ITSELF. PACE WILL HAVE TO QUICKEN IF IT IS TO MEET LATEST DEADLINE OF END 1976.

10. BY PUTTING OFF DAY OF RECKONING, GOG HAS POSTPONED THE TIME WHEN IT WILL HAVE TO FIND FOREIGN EXCHANGE TO REMIT PROCEEDS OF FORCED SALE OF SHARES, ABSENT WHICH THERE MAY BE CLAIMS OF EFFECTIVE EXPROPRIATION.  
BLACK

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, POLICIES, INVESTMENT CLIMATE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MartinML  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ACCRA04911  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760261-0889  
**From:** ACCRA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760790/aaaadavm.tel  
**Line Count:** 146  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 126994  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MartinML  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 APR 2004 by buchant0>; APPROVED <11 AUG 2004 by MartinML>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INVESTMENT POLICY IMPLEMENTATION POSTPONED AGAIN: STATUS REPORT  
**TAGS:** EALR, EINV, GH  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006